

1 H.272

2 Introduced by Committee on Ways and Means

3 Date:

4 Subject: Taxation

5 Statement of purpose of bill as introduced: This bill proposes to make  
6 numerous changes to Vermont's tax laws, including current use and technical  
7 tax changes.

8 An act relating to current use and technical tax changes

9 It is hereby enacted by the General Assembly of the State of Vermont:

10 \* \* \* Administrative Provisions \* \* \*

11 Sec. 1. 7 V.S.A. § 302 is amended to read:

12 § 302. APPLICATION

13 Application for such certificate of approval shall be made upon a form  
14 prescribed and furnished by the ~~liquor control board~~ Liquor Control Board,  
15 containing agreements to comply with the regulations of the ~~board~~ and to file  
16 ~~with the commissioner of taxes, on or before the 20th day of each month, a~~  
17 ~~report under oath, on a form prescribed and furnished by the commissioner of~~  
18 ~~taxes, showing the quantity of malt or vinous beverages sold or delivered by~~  
19 ~~such manufacturer or distributor during the preceding calendar month to each~~

1 ~~holder of such bottler's or wholesale dealer's license, Board~~ and containing  
2 such further information as the ~~board~~ Board may deem necessary.

3 Sec. 2. 10 V.S.A. § 123(c) is amended to read:

4 (c) Within the limits of available resources, the Center shall operate a  
5 program of standards development, data dissemination, and quality assurance,  
6 and shall perform the following duties:

7 \* \* \*

8 (12) Provide to regional planning commissions, State agencies, and the  
9 general public orthophotographic imagery of the State at a scale appropriate for  
10 the production and revision of town property maps. Periodically, such digital  
11 imagery shall be updated to capture land use changes, new settlement patterns,  
12 and such additional information as may have become available to the Director  
13 or the Center.

14 (A) The Center shall supply to each town such orthophotographic  
15 imagery as has been prepared by it of the total area of that town. Any image  
16 shall be available, without charge, for public inspection in the office of the  
17 town clerk to whom the imagery was supplied.

18 (B) At a reasonable charge to be established by the Center and the  
19 Director, the Center shall supply to any person or agency other than a town  
20 clerk or lister a copy of any digital format orthophotographic imagery created  
21 under this section.

1           (C) Hard copy or nondigital format orthophotographic imagery  
2           created under this section shall be available for public review at the State  
3           Archives.

4           Sec. 3. 10 V.S.A. § 6608(c) is amended to read:

5           (c) Information obtained by the Secretary under this section shall be  
6           available to the public, unless the Secretary certifies such information as being  
7           proprietary. The Secretary may make such certification where any person  
8           shows, to the satisfaction of the Secretary, that the information, or parts  
9           thereof, would divulge methods or processes entitled to protection as trade  
10          secrets. Nothing in this section shall be construed as limiting the disclosure of  
11          information by the Secretary to office employees as authorized representatives  
12          of the State concerned with implementing the provisions of this chapter or to  
13          the Department of Taxes for purposes of enforcing the solid waste tax imposed  
14          by 32 V.S.A. chapter 151, subchapter 13.

15          Sec. 4. 24 V.S.A. § 1173 is amended to read:

16          § 1173. TOWN OR VILLAGE REPORTS

17          The clerk of a municipality shall supply annually each library in such  
18          municipality with two copies of the municipal report, upon its publication.

19          The clerk shall also send to the State Library two copies thereof, and one copy  
20          each to the Secretary of State, ~~Commissioner of Taxes~~, State Board of Health,  
21          Commissioner for Children and Families, Commissioner of Vermont Health

1 Access, Auditor of Accounts, and Board of Education. Officers making these  
2 reports shall supply the clerk of the municipality with the printed copies  
3 necessary for him or her to comply with the provisions of this section and  
4 section 1174 of this title.

5 Sec. 5. 32 V.S.A. § 3436(a) is amended to read:

6 (a) The Director shall ~~provide an~~ certify assessment education ~~program~~  
7 programs for municipal listers and assessors at convenient times and places  
8 during the year and is authorized to contract with one or more persons to  
9 provide part or all of the assessment instruction. ~~On an annual basis, the~~  
10 ~~Director shall provide, to the extent allowed by available resources,~~ Certified  
11 programs may include instruction in lister duties, property inspection, data  
12 collection, valuation methods, mass appraisal techniques, ~~and~~ property tax  
13 administration, or such other subjects as the Director deems beneficial to listers  
14 and may be presented by Property Valuation and Review or a person pursuant  
15 to a contract with Property Valuation and Review, the International  
16 Association of Assessing Officials, the Vermont Assessors and Listers  
17 Association, or the Vermont League of Cities and Towns.

\* \* \* Current Use \* \* \*

Sec. 6. 32 V.S.A. § 3757 is amended to read:

§ 3757. LAND USE CHANGE TAX

(a) Land which has been classified as agricultural land or managed forestland pursuant to this chapter shall be subject to a land use change tax upon the development of that land, as defined in section 3752 of this chapter. The tax shall be at the rate of ~~20~~ 10 percent of the full fair market value of the changed land determined without regard to the use value appraisal; ~~or the tax shall be at the rate of 10 percent if the owner demonstrates to the satisfaction of the Director that the parcel has been enrolled continuously more than 10 years.~~ If changed land is a portion of a parcel, the fair market value of the changed land shall be the fair market value of the changed land ~~prorated on the basis of acreage as a separate parcel,~~ divided by the common level of appraisal. Such fair market value shall be determined as of the date the land is no longer eligible for use value appraisal. This tax shall be in addition to the annual property tax imposed upon such property. Nothing in this section shall be construed to require payment of an additional land use change tax upon the subsequent development of the same land, nor shall it be construed to require payment of a land use change tax merely because previously eligible land becomes ineligible, provided no development of the land has occurred.

1 (b) Any owner of eligible land who wishes to withdraw land from use  
2 value appraisal shall ~~petition for a determination of the fair market value of the~~  
3 ~~land at the time of the withdrawal~~ notify the Director, who shall in turn notify  
4 the local assessing official. In the alternative, if the Director determines that  
5 development has occurred, the Director shall notify the local assessing official  
6 of his or her determination. Thereafter, land which has been withdrawn or  
7 developed shall be appraised and listed at its full fair market value in  
8 accordance with the provisions of chapter 121 of this title and subsection  
9 3756(d) of this title, according to the appraisal model and land schedule of the  
10 municipality. ~~The determination of the fair market value shall be used in~~  
11 ~~calculating the amount of the land use change tax that shall be due when and if~~  
12 ~~the development of the land occurs.~~

13 (c) ~~The~~ For the purposes of the land use change tax, the determination of  
14 the fair market value of the land ~~as of the date the land is no longer eligible for~~  
15 ~~a use value appraisal, or as of the time of the withdrawal of the land from use~~  
16 ~~value appraisal,~~ shall be made by the ~~Director~~ local assessing officials in  
17 accordance with the provisions of subsection (b) of this section and divided by  
18 the municipality's most recent common level of appraisal as determined by the  
19 Director. The determination shall be made within 30 days after the Director  
20 notifies the local assessing officials of the date that the owner ~~or assessing~~  
21 ~~officials petition for the determination and shall be effective on the date of~~

1 ~~dispatch to the owner~~ has petitioned for withdrawal from use value appraisal or  
2 that the Director or local assessing official has determined that development  
3 has occurred. The local assessing officials shall notify the Director and the  
4 owner of their determination, and the provisions for appeal relating to property  
5 tax assessments in chapter 131 of this title shall apply.

6 (d) The land use change tax shall be due and payable by the owner 30 days  
7 after the tax notice is mailed to the taxpayer. The tax shall be paid to the  
8 Commissioner ~~for deposit into the General Fund~~ who shall remit to the  
9 municipality the lesser of one-half the tax paid or \$2,000.00, and who shall  
10 deposit the remainder of the tax paid into the General Fund. The  
11 Commissioner shall issue a form to the assessing officials which shall provide  
12 for a description of the land developed, the amount of tax payable, and the fair  
13 market value of the land at the time of development or withdrawal from use  
14 value appraisal. The owner shall fill out the form and shall sign it under the  
15 penalty of perjury. After receipt of payment, the Commissioner shall furnish  
16 the owner with one copy, shall retain one copy, and shall forward one copy to  
17 the local assessing officials ~~and~~, one copy to the register of deeds of the  
18 municipality in which the land is located, and one copy to the Secretary of  
19 Agriculture, Food and Markets if the land is agricultural land and in all other  
20 cases to the Commissioner of Forests, Parks and Recreation. ~~Thereafter, the~~

1 ~~land which has been developed shall be appraised and listed at its full fair~~  
2 ~~market value in accordance with the provisions of chapter 121 of this title.~~

3 (e) The owner of any classified land receiving use value appraisal under  
4 this subchapter shall immediately notify the ~~director~~ Director, who in turn shall  
5 notify the local assessing officials, the Secretary of Agriculture, Food and  
6 Markets if the land is agricultural land, and in all other cases the Commissioner  
7 of Forests, Parks and Recreation of:

8 \* \* \*

9 (f) ~~The~~ When the application for use value appraisal of agricultural and  
10 forestland, ~~once~~ has been approved by the State, the State shall ~~be recorded~~  
11 record a lien against the enrolled land in the land records of the municipality  
12 ~~and which~~ shall constitute a lien to secure payment of the land use change tax  
13 to the State upon development. The landowner shall bear the recording cost.  
14 The land use change tax and any obligation to repay benefits paid in error  
15 shall not constitute a personal debt of the person liable to pay the same, but  
16 shall constitute a lien which shall run with the land. All of the administrative  
17 provisions of chapter 151 of this title, including those relating to collection  
18 and enforcement, shall apply to the land use change tax.

19 Sec. 6a. 32 V.S.A. § 3757(d) is amended to read:

20 (d) The land use change tax shall be due and payable by the owner 30 days  
21 after the tax notice is mailed to the taxpayer. The tax shall be paid to the



1 Commissioner who shall remit to the municipality the lesser of one-half the tax  
2 paid or \$2,000.00, ~~and who shall deposit the remainder of the tax paid into the~~  
3 ~~General Fund.~~ The Director shall deposit three-quarters of the remainder of  
4 the tax paid in the Education Fund, and one-quarter of the remainder of the tax  
5 paid in the General Fund. The Commissioner shall issue a form to the  
6 assessing officials which shall provide for a description of the land developed,  
7 the amount of tax payable, and the fair market value of the land at the time of  
8 development or withdrawal from use value appraisal. The owner shall fill out  
9 the form and shall sign it under the penalty of perjury. After receipt of  
10 payment, the Commissioner shall furnish the owner with one copy, shall retain  
11 one copy, and shall forward one copy to the local assessing officials, one copy  
12 to the register of deeds of the municipality in which the land is located, and  
13 one copy to the Secretary of Agriculture, Food and Markets if the land is  
14 agricultural land and in all other cases to the Commissioner of Forests, Parks  
15 and Recreation.

16 Sec. 7. 32 V.S.A. § 3756(d) is amended to read:

17 (d) The assessing officials shall appraise qualifying agricultural and  
18 managed forestland and farm buildings at use value appraisal as defined in  
19 subdivision 3752(12) of this title. If the land to be appraised is a portion of a  
20 parcel, ~~the assessing officials shall:~~

1           ~~(1) determine the contributory value of each portion such that the fair~~  
2           ~~market value of the total parcel is comparable with other similar parcels in the~~  
3           ~~municipality; and~~

4           ~~(2) notify the landowner according to the procedures for notification of~~  
5           ~~change of appraisal. The portion of the parcel that is not to be appraised at use~~  
6           ~~value shall be appraised at its fair market value~~ any portion not receiving a use  
7           value appraisal shall be valued at its fair market value as a stand-alone parcel,  
8           and, for the purposes of the payment under section 3760 of this chapter, the  
9           entire parcel shall be valued at its fair market value as other similar parcels in  
10          the municipality.

11          Sec. 8. 32 V.S.A. § 3752(12) is amended to read:

12           (12) “Use value appraisal” means, with respect to land, the price per  
13           acre which the land would command if it were required to remain henceforth in  
14           agriculture or forest use, as determined in accordance with the terms and  
15           provisions of this subchapter. With respect to farm buildings, “use value  
16           appraisal” means zero percent of fair market value. ~~The Director shall~~  
17           ~~annually provide the assessing officials with a list of farm sales, including the~~  
18           ~~town in which the farm is located, the acreage, sales price, and date of sale.~~

19          Sec. 9. 32 V.S.A. § 3756(i) is amended to read:

20           (i) ~~The~~ After providing 30 days’ notice to the owner, the Director shall  
21           remove from use value appraisal an entire parcel of managed ~~forest land~~

1 forestland and notify the owner in accordance with the procedure in subsection  
2 (b) of this section when the Department of Forests, Parks and Recreation has  
3 not received a required management activity report or has received an adverse  
4 inspection report, unless the lack of conformance consists solely of the failure  
5 to make prescribed planned cutting. In that case, the Director may delay  
6 removal from use value appraisal for a period of one year at a time to allow  
7 time to bring the parcel into conformance with the plan.

8 Sec. 10. USE VALUE APPRAISAL "EASY-OUT"

9 (a) Notwithstanding any other provision of law, an owner of property  
10 enrolled in use value appraisal under 32 V.S.A. chapter 124 as of the passage  
11 of this act who elects to discontinue enrollment of the entire parcel may be  
12 relieved of the first \$50,000.00 of land use change tax imposed pursuant to  
13 32 V.S.A. § 3757; provided that if the property owner does elect to discontinue  
14 enrollment and be relieved of the first \$50,000.00 of land use change tax, the  
15 owner shall pay the full property tax, based upon the property's full fair market  
16 value, for the 2015 assessment, and no State reimbursement shall be paid for  
17 that land. No property owner shall be relieved of more than \$50,000.00 in land  
18 use change tax under this provision.

19 (b) An election to discontinue enrollment under this provision is effective  
20 only if made in writing to the Director of Property Valuation and Review  
21 between July 1, 2015 and October 1, 2015; and an owner who elects to

1 discontinue enrollment under this section or any successor owner may not  
2 reenroll the entire withdrawn parcel, or any portion less than the entire  
3 withdrawn parcel, in the succeeding five years.

4 (c) If the property owner withdraws less than the entire parcel, the  
5 provisions of this section do not apply. Property composed of less than an  
6 entire parcel that is withdrawn from use value appraisal shall be subject to the  
7 land use change tax under the provisions of 32 V.S.A. § 3757 in effect at the  
8 time of withdrawal.

9 (d) The “easy-out” provided for in this section shall not be available for  
10 any land that has been developed, as that term is defined in 32 V.S.A.  
11 § 3752(5), prior to July 1, 2015.

12 Sec. 11. MUNICIPAL REIMBURSEMENT PAYMENTS

13 (a) There is created a Use Value Appraisal Municipal Reimbursement  
14 Study Committee to examine the existing formula for municipal  
15 reimbursement payments (hold harmless payments) to determine if the  
16 payments are equitable and appropriate in light of the reallocation of land use  
17 change tax payments under this act and, if not, to propose an alternative  
18 formula. The Committee shall issue a report on or before January 15, 2016,  
19 and the report shall be submitted to the House Committees on Agriculture and  
20 Forest Products and on Ways and Means and to the Senate Committees on  
21 Agriculture and on Finance. The members of the Study Committee shall be:

1           (1) the Director of Property Valuation and Review, who shall serve as  
2           the Chair of the Committee and shall call the first meeting of the Committee on  
3           or before September 1, 2015;

4           (2) the Secretary of Agriculture, Food and Markets or designee;

5           (3) the Commissioner of Forests, Parks and Recreation or designee;

6           (4) the Executive Director of the Vermont Assessors and Listers  
7           Association or designee;

8           (5) two representatives of the Vermont League of Cities and Towns, one  
9           from a rural community and one from an urban community, appointed by its  
10          Board of Directors;

11          (6) a member of the House appointed by the Speaker of the House;

12          (7) a member of the Senate appointed by the Committee on  
13          Committees; and

14          (8) a member of the public appointed by the Governor who shall be a  
15          land owner with land subject to use value appraisal.

16          (b) Members of the Committee who are not employees of the State of  
17          Vermont shall be entitled to compensation as provided in 32 V.S.A. § 1010.  
18          Legislative members of the Committee shall be entitled to the same per diem  
19          compensation and reimbursement for necessary expenses for attendance at a  
20          meeting when the General Assembly is not in session as provided to members  
21          of standing committees under 2 V.S.A. § 406.

1       Sec. 12. ASSESSMENT OF PROPERTY

2           On or before April 15, 2016, the Director of Property Valuation and Review  
3       shall publish guidance for the local assessing officials concerning:

4           (1) how to assess land permanently encumbered by a conservation  
5       easement;

6           (2) how to assess land subject to a use value appraisal; and

7           (3) how to apply the methodologies in subdivisions (1) and (2) of this  
8       section in a consistent manner across the State.

9                               \* \* \* Statewide Education Tax \* \* \*

10       Sec. 13. 32 V.S.A. § 5401(7) is amended to read:

11           (7) "Homestead":

12           (A) "Homestead" means the principal dwelling and parcel of land  
13       surrounding the dwelling, owned and occupied by a resident individual on  
14       April 1 ~~and occupied~~ as the individual's domicile ~~for a minimum of~~ or owned  
15       and fully leased on April 1, provided the property is not leased for more than  
16       ~~183~~ 182 days out of the calendar year, or for purposes of the renter property  
17       tax adjustment under subsection 6066(b) of this title, rented and occupied by a  
18       resident individual as the individual's domicile.

19                               \* \* \*

1       Sec. 14. 32 V.S.A. § 5404a(a)(6) is amended to read:

2               (6) An exemption of a portion of the value of a qualified rental unit  
3       parcel. An owner of a qualified rental unit parcel shall be entitled to an  
4       exemption on the education property tax grand list of 10 percent of the grand  
5       list value of the parcel, multiplied by the ratio of square footage of  
6       improvements used for or related to residential rental purposes to total square  
7       footage of all improvements, multiplied by the ratio of qualified rental units to  
8       total residential rental units on the parcel. “Qualified rental units” means  
9       residential rental units which are subject to rent restriction under provisions of  
10      state or federal law, but excluding units subject to rent restrictions under only  
11      one of the following programs: Section 8 moderate rehabilitation, Section 8  
12      housing choice vouchers, or Section 236 or Section 515 rural development  
13      rental housing. A municipality shall allow the percentage exemption under  
14      this subsection upon presentation by the taxpayer to the municipality, by  
15      April 1, of a certificate of education grand list value exemption, obtained from  
16      the Vermont Housing Finance Agency (VHFA). VHFA shall issue a certificate  
17      of exemption upon presentation by the taxpayer of information which VHFA  
18      and the Commissioner shall require. An exemption granted by a municipality  
19      under this subsection shall expire upon transfer of the building, upon  
20      expiration of the rent restriction, or after ~~10~~ 20 years, whichever first occurs.

\* \* \* Tax Increment Financing Districts \* \* \*

Sec. 15. 24 V.S.A. § 1901(3) is amended to read:

(3) Annually:

(A) ensure that the tax increment financing district account required by section 1896 of this subchapter is subject to the annual audit prescribed in ~~section~~ sections 1681 and 1690 of this title. Procedures must include verification of the original taxable value and annual and total municipal and education tax increments generated, expenditures for debt and related costs, and current balance;

(B) on or before ~~January 15~~ February 15 of each year, on a form prescribed by the Council, submit an annual report to the Vermont Economic Progress Council and the Department of Taxes, including the information required by subdivision (2) of this section if not already submitted during the year, all information required by subdivision (A) of this subdivision (3), and the information required by 32 V.S.A. § 5404a(i), including performance indicators and any other information required by the Council or the Department of Taxes.

Sec. 16. 24 V.S.A. § 1896(c) is amended to read:

(c) Notwithstanding any charter provision or other provision, all property taxes assessed within a district shall be subject to the provision of subsection (a) of this section. Special assessments levied under chapter 87 of this title, the



1 proceeds of which are dedicated to a specific bond or pledge for the repayment  
2 of a specific borrowing and are apportioned based on any method other than  
3 the grand list value of the affected properties, shall not be considered property  
4 taxes for the purpose of this section.

5 \* \* \* Income Tax \* \* \*

6 Sec. 17. 32 V.S.A. § 5824 is amended to read:

7 § 5824. ADOPTION OF FEDERAL INCOME TAX LAWS

8 The statutes of the United States relating to the federal income tax, as in  
9 effect for taxable year ~~2013~~ 2014, but without regard to federal income tax  
10 rates under 26 U.S.C. § 1, are hereby adopted for the purpose of computing the  
11 tax liability under this chapter.

12 Sec. 18. 32 V.S.A. § 5842(a)(2) is amended to read:

13 (2) In semiweekly payments, if the person ~~can reasonably expect the~~  
14 ~~amount to be deducted and withheld during that quarter will exceed \$9,000.00~~  
15 is required to make semiweekly payments of federal withholding pursuant to  
16 the Internal Revenue Code. Semiweekly shall mean payment of tax withheld  
17 for pay dates on Wednesday, Thursday, or Friday is due by the following  
18 Wednesday, and tax withheld for pay dates on Saturday, Sunday, Monday, or  
19 Tuesday is due by the following Friday.

1 Sec. 19. 32 V.S.A. § 5852(a) is amended to read:

2 (a) Every individual, estate and trust subject to taxation under section 5822  
3 of this title; (other than a person receiving at least two-thirds of his or her  
4 income from farming or fishing as defined under the laws of the United States)  
5 shall make installment payments of the taxpayer's estimated tax liability for  
6 each taxable year. The amount of each payment shall be 25 percent of the  
7 required annual payment. For any taxable year, payments shall be made on or  
8 before April 15, June 15, and September 15 of the taxable year and January 15  
9 of the following taxable year. In applying this section to a taxable year  
10 beginning on any date other than January 1, there shall be substituted, for the  
11 months specified in this section, the months which correspond thereto.

12 \* \* \* Downtown Tax Credits \* \* \*

13 Sec. 20. 32 V.S.A. § 5930aa(3) is amended to read:

14 (3) "Qualified code or technology improvement project" means a  
15 project:

16 (A)(i) to install or improve platform lifts suitable for transporting  
17 personal mobility devices, limited use limited application elevators, elevators,  
18 sprinkler systems, and capital improvements in a qualified building, and the  
19 installations or improvements are required to bring the building into  
20 compliance with the statutory requirements and rules regarding fire prevention,

1 life safety, and electrical, plumbing, and accessibility codes as determined by  
2 the Department of Public Safety; or

3 \* \* \*

4 Sec. 21. 32 V.S.A. § 5930cc(c) is amended to read:

5 (c) Code or technology improvement tax credit. The qualified applicant of  
6 a qualified code or technology improvement project shall be entitled, upon the  
7 approval of the State Board, to claim against the taxpayer's State individual  
8 income tax, State corporate income tax, or bank franchise or insurance  
9 premiums tax liability a credit of 50 percent of qualified expenditures up to a  
10 maximum tax credit of \$12,000.00 for installation or improvement of a  
11 platform lift, a maximum credit of \$40,000.00 for the installation or  
12 improvement of a limited use limited application elevator, a maximum tax  
13 credit of \$50,000.00 for installation or improvement of an elevator, a  
14 maximum tax credit of \$50,000.00 for installation or improvement of a  
15 sprinkler system, a maximum tax credit of \$30,000.00 for the combined costs  
16 of installation or improvement of data or network wiring or a heating,  
17 ventilating, or cooling system, and a maximum tax credit of ~~\$25,000.00~~  
18 \$50,000.00 for the combined costs of all other qualified code improvements.

\* \* \* Cigarette and Tobacco Taxes \* \* \*

Sec. 22. 32 V.S.A. § 7734 is amended to read:

§ 7734. PENALTIES FOR SALES WITHOUT LICENSE

Any licensed wholesale dealer who shall sell, offer for sale, or possess with intent to sell any cigarettes, roll-your-own tobacco, little cigars, snuff, new smokeless tobacco, or other tobacco products, or ~~both~~ any combination thereof, without having first obtained a license as provided in this subchapter shall be fined not more than \$25.00 for the first offense and not more than \$200.00 nor less than \$25.00 for each subsequent offense.

Sec. 23. 32 V.S.A. § 7771(b) is amended to read:

(b) Payment of the tax on cigarettes under this section shall be evidenced by the affixing of stamps to the packages containing the cigarettes. Where practicable, the Commissioner may also require that stamps be affixed to packages containing little cigars or roll-your-own tobacco. Any cigarette, little cigar, or roll-your-own tobacco on which the tax imposed by this section has been paid, such payment being evidenced by the affixing of such stamp or such evidence as the Commissioner may require, shall not be subject to a further tax under this chapter. Nothing contained in this chapter shall be construed to impose a tax on any transaction the taxation of which by this State is prohibited by the constitution of the United States. The amount of taxes advanced and paid by a licensed wholesale dealer ~~or a retail dealer~~ as herein

1 provided shall be added to and collected as part of the retail sale price on the  
2 cigarettes, little cigars, or roll-your-own tobacco.

3 Sec. 24. 32 V.S.A. § 7772 is amended to read:

4 § 7772. FORM AND SALE OF STAMPS

5 (a) The Commissioner shall secure stamps of such designs and  
6 denominations as he or she shall prescribe to be affixed to packages of  
7 cigarettes as evidence of the payment to the tax imposed by this chapter. The  
8 Commissioner shall sell such stamps to licensed wholesale dealers ~~and retail~~  
9 ~~dealers~~ at a discount of two and three-tenths percent of their face value for  
10 payment at time of sale.

11 (b) At the purchaser's request, the Commissioner may sell stamps to be  
12 affixed to packages of cigarettes as evidence of the payment to the tax imposed  
13 by this chapter to licensed wholesale dealers ~~and retail dealers~~ for payment  
14 within 10 days, at a discount of one and five-tenths percent of their face value  
15 if timely paid. In determining whether to sell stamps for payment within  
16 10 days, the Commissioner shall consider the credit history of the dealer; and  
17 the filing and payment history, with respect to any tax administered by the  
18 Commissioner, of the dealer or any individual, corporation, partnership, or  
19 other legal entity with which the dealer is or was associated as principal,  
20 partner, officer, director, employee, agent, or incorporator.

1 (c) The Commissioner shall keep accurate records of all stamps sold to  
2 each wholesale dealer ~~and retail dealer~~, and shall pay over all receipts from the  
3 sale of stamps to the ~~state treasurer~~ State Treasurer.

4 Sec. 25. 32 V.S.A. § 7773 is amended to read:

5 § 7773. USE AND REDEMPTION OF STAMPS

6 No licensed wholesale dealer ~~or retail dealer~~ shall sell or transfer any  
7 stamps issued under the provisions of this chapter. The Commissioner shall  
8 redeem at the amount paid therefor by the licensed wholesale or retail dealer  
9 any unused stamps issued under the provisions of this chapter, which are  
10 presented to him or her at his or her office in Montpelier.

11 Sec. 26. 32 V.S.A. § 7775 is amended to read:

12 § 7775. ~~RETAILERS~~ RETAIL DEALERS

13 Within 24 hours after coming into possession of any cigarettes not bearing  
14 proper stamps evidencing payment of the tax imposed by this chapter and  
15 before selling the same, each retail dealer shall affix or cause to be affixed  
16 stamps of the proper denomination to each individual package of cigarettes as  
17 required by section 7771 of this title and in such manner as the Commissioner  
18 may specify in regulations issued pursuant to this chapter.

1 Sec. 27. 32 V.S.A. § 7777 is amended to read:

2 § 7777. RECORDS REQUIRED; INSPECTION AND EXAMINATION;  
3 ASSESSMENT OF TAX DEFICIENCY

4 \* \* \*

5 (d) If a licensed wholesale dealer ~~or retail dealer~~ has failed to timely pay  
6 for stamps obtained for payment within 10 days or to pay the tax imposed on  
7 roll-your-own tobacco, the dealer shall be subject to assessment, collection,  
8 and enforcement in the same manner as provided under subchapter 4 of this  
9 chapter.

10 \* \* \*

11 Sec. 28. 32 V.S.A. § 7812 is amended to read:

12 § 7812. LIABILITY FOR COLLECTION OF TAX

13 The ~~distributor~~ licensed wholesale dealer shall be liable for the payment of  
14 the tax on tobacco products which he or she imports or causes to be imported  
15 into the State, or which he or she manufactures in this State, and every  
16 ~~distributor~~ licensed wholesale dealer authorized by the Commissioner to make  
17 returns and pay the tax on tobacco products sold, shipped, or delivered by him  
18 or her to any person in the State, shall be liable for the collection and payment  
19 of the tax on all tobacco products sold, shipped or delivered. Every retail  
20 dealer shall be liable for the collection of the tax on all tobacco products in his  
21 or her possession at any time, upon which the tax has not been paid by a

1 ~~distributor~~ licensed wholesale dealer and the failure of any retail dealer to  
2 produce and exhibit to the Commissioner or his or her authorized  
3 representative, upon demand, an invoice by a ~~distributor~~ licensed wholesale  
4 dealer for any tobacco products in his or her possession, shall be presumptive  
5 evidence that the tax thereon has not been paid and that such retail dealer is  
6 liable for the collection of the tax thereon. The amount of taxes advanced and  
7 paid by a ~~distributor~~ licensed wholesale dealer or retail dealer as hereinabove  
8 provided shall be added and collected as part of the sales price of the tobacco  
9 products.

10 Sec. 29. 32 V.S.A. § 7813 is amended to read:

11 § 7813. RETURNS AND PAYMENT OF TAX BY ~~DISTRIBUTOR~~

12 LICENSED WHOLESALE DEALER

13 Every ~~distributor~~ licensed wholesale dealer shall, on or before the 15th day  
14 of each month, file with the Commissioner a return on forms to be prescribed  
15 and furnished by the Commissioner, showing the quantity and wholesale price  
16 of all tobacco products sold, shipped or delivered by him or her to any person  
17 in the State during the preceding calendar month. Such returns shall contain  
18 such further information as the Commissioner of Taxes may require. Every  
19 ~~distributor~~ licensed wholesale dealer shall pay to the Commissioner with the  
20 filing of such return, the tax on tobacco products for such month imposed  
21 under this subchapter. When the ~~distributor~~ or licensed wholesale dealer files



1 the return and pays the tax within the time specified in this section, he or she  
2 may deduct therefrom two percent of the tax due.

3 Sec. 30. 32 V.S.A. § 7819 is amended to read:

4 § 7819. REFUNDS

5 Whenever any tobacco products upon which the tax has been paid have  
6 been sold and shipped into another state for sale or use there, or have become  
7 unfit for use and consumption or unsalable or have been destroyed, the  
8 licensed wholesale dealer shall be entitled to a refund of the actual amount of  
9 tax paid with respect thereto. If the Commissioner is satisfied that any licensed  
10 wholesale dealer is entitled to a refund, he or she shall so certify to the  
11 Commissioner of Finance and Management who shall issue his or her warrant  
12 in favor of the licensed wholesale dealer entitled to receive such refund.

13 Sec. 31. 32 V.S.A. § 7821 is amended to read:

14 § 7821. CRIMINAL PENALTIES

15 Any ~~distributor or dealer~~ person who shall fail, neglect, or refuse to comply  
16 with or shall violate the provisions of this chapter relating to the tax on tobacco  
17 products or the rules and regulations ~~promulgated~~ adopted by the  
18 Commissioner under this chapter relating to such tax shall be guilty of a  
19 misdemeanor and upon conviction for a first offense shall be sentenced to pay  
20 a fine of not more than \$250.00 or to be imprisoned for not more than 60 days,  
21 or both such fine and imprisonment in the discretion of the Court; and for a

1 second or subsequent offense shall be sentenced to pay a fine of not less than  
2 \$250.00 nor more than \$500.00, or be imprisoned for not more than six  
3 months, or both such fine and imprisonment in the discretion of the Court.

4 This section shall not apply to violations of sections 7731–7734 and 7776 of  
5 this title.

6 Sec. 32. 33 V.S.A. § 1916 is amended to read:

7 §1916. DEFINITIONS

8 As used in this subchapter:

9 \* \* \*

10 (4) “~~Distributor~~ Wholesale dealer” shall have the same meaning as in  
11 32 V.S.A. § 7702(4)(16).

12 \* \* \*

13 (10) “~~Stamping agent~~” shall mean a person or entity that is required to  
14 ~~secure a license pursuant to 32 V.S.A. § 7731 or that is required to pay a tax on~~  
15 ~~cigarettes imposed pursuant to 32 V.S.A. chapter 205.~~ [Repealed.]

16 \* \* \*

17 Sec. 33. 33 V.S.A. § 1917(a) is amended to read:

18 (a) Every tobacco product manufacturer whose cigarettes are sold in this  
19 State, whether directly or through a ~~distributor~~, licensed wholesale dealer,  
20 retailer, or similar intermediary or intermediaries, shall execute and deliver on  
21 a form prescribed by the Attorney General a certification to the Attorney

1 General no later than April 30 each year certifying under penalty of perjury  
2 that, as of the date of such certification, such tobacco product manufacturer  
3 either is a participating manufacturer or is in full compliance with subchapter  
4 1A of this chapter, including all quarterly installment payments required by  
5 section 1922 of this title.

6 Sec. 34. 33 V.S.A. § 1918(c) and (d) are amended to read:

7 (c) Unless otherwise provided by agreement between a ~~stamping agent~~  
8 licensed wholesale dealer and a tobacco product manufacturer, a ~~stamping~~  
9 ~~agent~~ licensed wholesale dealer shall be entitled to a refund from a tobacco  
10 product manufacturer for any money paid by the ~~stamping agent~~ licensed  
11 wholesale dealer to the tobacco product manufacturer for any cigarettes of that  
12 tobacco product manufacturer still in the possession of the ~~stamping agent~~  
13 licensed wholesale dealer on the date of the Attorney General's removal from  
14 the directory of that tobacco product manufacturer or the individual styles or  
15 brands of cigarettes of that tobacco product manufacturer. Also, unless  
16 otherwise provided by agreement between a retail dealer and a ~~distributor~~  
17 licensed wholesale dealer or a tobacco product manufacturer, a retail dealer  
18 shall be entitled to a refund from either a ~~distributor~~ licensed wholesale dealer  
19 or a tobacco product manufacturer for any money paid by the retail dealer to  
20 the ~~distributor~~ licensed wholesale dealer or tobacco product manufacturer for  
21 any cigarettes of that ~~distributor~~ licensed wholesale dealer or tobacco product

1 manufacturer still in the possession of the retail dealer on the date of the  
2 Attorney General's removal from the directory of that tobacco product  
3 manufacturer or the individual styles or brands of cigarettes of that tobacco  
4 product manufacturer. The Attorney General shall not restore to the directory  
5 a tobacco product manufacturer or any individual styles or brands or cigarettes  
6 or, if applicable, brand families of that tobacco product manufacturer until the  
7 tobacco product manufacturer has paid all ~~stamping agents~~ licensed wholesale  
8 dealers any refund due pursuant to this section.

9 (d) The Commissioner shall refund to a ~~retailer dealer or stamping agent~~  
10 licensed wholesale dealer any tax paid under 32 V.S.A. chapter 205 on  
11 products no longer saleable in the State under this subchapter.

12 Sec. 35. 33 V.S.A. § 1921 is amended to read:

13 § 1921. REPORTING AND SHARING OF INFORMATION

14 (a) At the date specified in 32 V.S.A. § 7785 or 7813, for monthly reports  
15 from licensed wholesale dealers ~~or distributors~~, or at such date and frequency  
16 as the Commissioner may require for other ~~stamping agents~~ licensed wholesale  
17 dealers, which will be at least quarterly, each ~~stamping agent~~ licensed  
18 wholesale dealer shall submit such information as the Commissioner requires  
19 to facilitate compliance with subchapter 1A of this chapter and this subchapter,  
20 including a list by brand family of the total number of cigarettes, or, in the case  
21 of roll-your-own tobacco, the equivalent stick count, as determined pursuant to

1 the formula set forth in subchapter 1A of this chapter, for which the ~~stamping~~  
2 ~~agent~~ licensed wholesale dealer affixed stamps during the reporting period or  
3 otherwise paid the tax due for such cigarettes. ~~Stamping agents~~ Licensed  
4 wholesale dealers shall maintain, and make available to the Commissioner, all  
5 documentation and other information relied upon in reporting to the  
6 Commissioner for a period of six years.

7 \* \* \*

8 (c) The Attorney General may require a ~~stamping agent~~ licensed wholesale  
9 dealer or tobacco product manufacturer to submit any additional information,  
10 including samples of the packaging or labeling of each brand family, as is  
11 necessary to enable the Attorney General to determine whether a tobacco  
12 product manufacturer is in compliance with this subchapter and subchapter 1A  
13 of this chapter.

14 \* \* \*

15 \* \* \* Corporation Taxes \* \* \*

16 Sec. 36. 32 V.S.A. § 8146 is amended to read:

17 § 8146. ADDITIONAL TAX; REFUNDS

18 When the Commissioner finds that owing to the incorrectness of a return or  
19 any other cause, a tax paid pursuant to this chapter is too small, he or she shall  
20 assess an additional tax sufficient to cover the deficit and shall forthwith notify  
21 the parties so assessed. ~~If the additional assessment is not paid within 30 days~~

1 ~~after such notice, the person or corporation against whom it is assessed shall be~~  
2 ~~liable to the same penalties as for neglect to pay annual or semiannual taxes.~~

3 The administrative provisions of chapter 103 and 151 shall apply to  
4 assessments and refund claims under this chapter, including those provisions  
5 governing interest and penalty, appeals, and collection of assessments.

6 \* \* \* Meals and Rooms Taxes \* \* \*

7 Sec. 37. 32 V.S.A. § 9245 is amended to read:

8 § 9245. OVERPAYMENT; REFUNDS

9 Upon application by an operator, if the Commissioner determines that any  
10 tax, interest, or penalty has been paid more than once, or has been erroneously  
11 or illegally collected or computed, the same shall be credited by the  
12 Commissioner on any taxes then due from the operator under this chapter, and  
13 the balance shall be refunded to the operator or his or her successors,  
14 administrators, executors, or assigns, together with interest at the rate per  
15 annum established from time to time by the Commissioner pursuant to section  
16 3108 of this title. That interest shall be computed from the latest of 45 days  
17 after the date the return was filed, or from 45 days after the date the return was  
18 due, including any extensions of time thereto, with respect to which the excess  
19 payment was made, whichever is the later date or, if the taxpayer filed an  
20 amended return or otherwise requested a refund, 45 days after the date such

1 amended return or request was filed. Provided, however, no such credit or  
2 refund shall be allowed after three years from the date the return was due.

3 \* \* \* Lottery Products \* \* \*

4 Sec. 38. 31 V.S.A. § 654 is amended to read:

5 § 654. POWERS AND DUTIES

6 The ~~commission~~ Commission shall ~~promulgate~~ adopt rules pursuant to  
7 3 V.S.A. chapter 25 of Title 3, governing the establishment and operation of  
8 the ~~state lottery~~ State Lottery. The rules may include, ~~but shall not be limited~~  
9 ~~to~~, the following:

10 \* \* \*

11 (7) ~~Ticket sales~~ Lottery product sales locations, which may include ~~state~~  
12 State liquor stores and liquor agencies; private business establishments, except  
13 establishments holding first- or first- and third-class licenses pursuant to Title  
14 7; fraternal, religious, and volunteer organizations; town clerks' offices; and  
15 ~~state~~ State fairs, race tracks and other sporting arenas;

16 \* \* \*

17 \* \* \* Repeals \* \* \*

18 Sec. 39. REPEALS

19 The following are repealed:

20 (1) 32 V.S.A. § 3409 (preparation of property maps).

1           (2) 32 V.S.A. § 5925 (definitions for expired section) and 10 V.S.A.  
2           § 697(a) (cross reference).

3                           \* \* \* Effective Dates \* \* \*

4           Sec. 40. EFFECTIVE DATES

5           This act shall take effect on passage except:

6           (1) Secs. 6 (land use change tax) and 7 (value of portions of a parcel)  
7           shall take effect on October 2, 2015.

8           (2) Sec. 6a (deposit of funds) shall take effect on July 1, 2016 and apply  
9           to fiscal year 2017 and forward.

10           (3) Sec. 10 (current use easy out), notwithstanding 1 V.S.A. § 214, shall  
11           take effect on July 1, 2015.

12           (4) Sec. 14 (qualified housing exemption), notwithstanding 1 V.S.A.  
13           § 214, shall take effect retroactively on January 1, 2014; provided however,  
14           that the 20-year period created by this section shall begin on January 1, 2004.

15           (5) Sec. 17 (annual income tax update), notwithstanding 1 V.S.A. § 214,  
16           shall take effect retroactively to January 1, 2015 and apply to taxable years  
17           beginning on and after January 1, 2014.

18           (6) Sec. 19 (obligation of estates and trusts to make estimated payments)  
19           shall take effect on passage and apply to taxable years beginning on and after  
20           January 1, 2016.